

(5/12/2008 10:30:50 AM) - Kelly Paris

the amended piece still does not properly reflect was the committee did. the budget minutes should display a play by play on all the amendments passed by the members of the committee

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(5/12/2008 10:19:10 AM) - Brian Newman

#3 is the Ordinance with Committee Amendments.

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(5/9/2008 9:23:02 AM) - Kelly Paris

here is what the committee did and wants changed in the document. the minutes are attached to alleviate issues (hopefully)

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### **Regular Budget Committee Meeting Minutes** **Wednesday, May 7, 2008**

#### **4. O-55-03-08 AN ORDINANCE AMENDING AND READOPTING ORDINANCE 294, SERIES 2007 RELATING TO THE DISBURSEMENT OF THE MUSEUM PLAZA BOND.**

**Status:** In Committee - Tabled

**Committee:** Budget

**Primary Sponsor:** Kelly Downard and Doug Hawkins

**Additional Sponsor:** Dan Johnson and Robin Engel

Motion to Untable made by Mary C. Woolridge and seconded by Kelly Downard; with out objection the item was un-tabled and discussion continued.

CM Downard stated the item was raised at previous meetings; lengthy discussions have occurred in the interim, the County Attorney has taken the piece and made language more definitive in Section 1. Copies were distributed for the committee's review. ([attached](#))

Motion to Amend Section I made by Kelly Downard and seconded by Kevin Kramer; without objection the amendment was approved.

The proposed amendment to Section I was read as follows:

SECTION I: A construction loan closing shall be coincident with any disbursement of bond funds relative to this project bond funds pursuant to Section 2.02 (N) or the City Investment pursuant to Section 2.02 (O) of the Development Agreement. The meaning of this section is a reflection of the meaning in Section 1.20 of the Development Agreement dated march 20, 2008. It is intended that all funds, from all sources, required to complete construction of the project be available for disbursement before the Bonds or City Investment are made available to the project, notwithstanding any other section contained in the Development Agreement. This requirement should also become a necessary part of the escrow and disbursement agreement referred to in Section 2.02 (N) (3) of the Development Agreement.

Further discussion lead to requesting additional County Attorney, Administration input. The following discussion points were as follows:

- Changes within the Financial Market have been so abrupt, finding large financing has been non-existent
- This is an effort to provide protection to the City Government where the funds should not go out until all other committed funds are closed on and in place
- Legality the issue
  - Possible to amend the Bond
  - A Section have meaning being a reflection of another Section
- Impact on the transaction and the document as a whole
- Assurance to Section 1.20 is at stake

- The Development Agreement is separate for the Bond Ordinance
- Validity to the ordinance
- Street Closures/Openings
- Start date being in jeopardy
- As stated by the Administration, the developer's have made the assurances to get the project going under the original time allotment
- At this time, there is not a formal extension to the Development Agreement
- Possible alternative way to present a Letter of Agreement/Understanding from the Developer
  - Bruce Traughber, Director of Economic Development, issued a Letter (March 25, 2008) to the Metro Council related to the Agreement in which the Developer has agreed to on five items, such as:
    - Individual members of the Developer have provided a firm guarantee of completion to commit to restore the site to it's previous condition and reimburse Metro for any costs incurred if the Developers can not obtain construction financing by December 31, 2008, or complete construction of the project if a default occurs after construction financing is obtained
    - Developer has agreed not to draw upon any Metro Funds until the construction loan has closed
    - No portion of the project funded by Metro can be used for Gaming Activities
    - If the Industrial Revenue Bonds (IRB) generate proceeds greater than anticipated, such addition funds shall reduce the amount of Metro's direct financial commitment
    - If the Hotel or Office portions are sold, PARC will be reimbursed the value of it's land contributed
- Contribution vs. Commitment/investment
- ***Moving in the correct direction for the appropriate language***

**Motion to Amend** "Section I: A construction loan closing in an amount adequate to complete the project shall be coincident with any disbursement of Bond Funds pursuant to Section 2.02 (N) or the City Investment pursuant to Section 2.02 (O) of the Development Agreement." And striking sentences 2, 3, 4 within Section I made by Kelly Downard and seconded by Kevin Kramer. Without objection, the second amendment was approved.

**Motion to Amend** made by Kelly Downard and seconded by Kevin Kramer to **Strike Section II altogether.** Without objection, the amendment passed.

**Motion to Table** made by David Tandy and seconded by Kelly Downard

Without objection, the item was **TABLED**.